



**Agenda Item Number: 2006-6-7A**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

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**Meeting Date:** June 13, 2006

**Department:** County Manager   **Staff Contact:** Daniel Gutiérrez, Economic Development  
Julie Baca, Deputy County Manager,  
Community Services  
Dan Mayfield, Comptroller  
Tommy Hughes, Hughes and Strumor Ltd.,  
Inc., Bond Counsel

**TITLE:** Industrial Revenue Bond project for Verizon Wireless Inc.

**ACTION:** Motion to adopt **Ordinance 2005-** \_\_\_\_\_ authorizing issuance of industrial revenue bonds to Verizon Inc.

The Bernalillo County Office of Economic Development has received an application and project plan for Verizon Wireless (VZW). The company owns and operates one of the nation's largest wireless networks, serving over 49 million voice and data customers. VZW is requesting New Mexico Taxable Industrial Revenue Bonds Series 2006A and Series 2006B (pursuant to 4-59-1 et seq. NMSA 1978) in the combined principal amount of \$28,000,000. The company is headquartered in Bedminster, New Jersey, with 2004 revenue in the State of New Mexico totaling \$250 million. The bonds will be used to acquire, construct and equip a 197,000 square foot inbound customer service facility located at 7000 Central Avenue NW. The company anticipates occupying the facility in November of 2006.

The construction of the facility will create 142 direct jobs and 495 indirect jobs for a total of 637 jobs during the construction term of the Project. During the current construction period, 100% of the sub-contractors will be local. The amounts estimated in construction costs are \$20 Million. When fully operational, the company expects to have the capacity of up to 1400 employees during the course of the bond. VZW anticipates that the call center will handle approximately 800,000 calls per month. VZW and or an affiliate of the company will purchase the bonds. As requested by the County Commission, VZW is working with local workforce development agencies (YDI, TV-I, the Council of Governments) to identify and train potential employees. Environmental impact is expected to be minimal, as the facility does not produce noise, air or water pollution.

On February 28, 2006, the Board approved Administrative Resolutions AR 18-2006 and AR 19-2006 (Inducement Resolutions) concerning industrial revenue bonds in connection with a proposed project for VZW. At this meeting, the company originally requested \$20,000,000 and in the interim has increased its request to \$28,000,000. In accordance with the procedures specified in the County's Revenue Bond Project Evaluation Policies and Procedures (County Code, Article IV, Division 3), the County Manager must submit the attached Ordinance authorizing the issuance and sale of Industrial Revenue Bonds for this project. The 9.005% mill rate attributable to the Albuquerque Public Schools and the 6.5% for the University of New

Mexico Hospital will not be abated. Payments to the Albuquerque Public Schools and the University of New Mexico Hospital are defined in Sections 6.4 and 6.5. In the event of default, the remedies are addressed in the Bond Documents and the Lease Agreement.

The proposed Lease will include a claw back provision negotiated by Bernalillo County. The provision will provide that if the VZW terminates the Lease Agreement during the IRB term by ceasing operations, moving the manufacturing facility out of Bernalillo County, or any other voluntary act of VZW that results in the Project Property's use being discontinued, VZW will be required to pay the County in the amount equal to the abated property taxes less all revenue collections made for the benefit of APS and UNMH.

**ATTACHMENTS:**

1. VERIZON/Estimated Economic Impacts
2. **Ordinance 2006-\_\_\_\_\_**.

**FISCAL IMPACT**

See Finance comments.

**STAFF ANALYSIS SUMMARY**

**COUNTY MANAGER**

See Summary. TL 6/7/06

**LEGAL**

Hughes and Strummer, Ltd prepared the Ordinance

**FINANCE**

The County has no financial obligation for the industrial revenue bond debt. The transaction will be disclosed in the County's annual financial statements. The schedule for completion of this project is as follows: 1. Approval of publication of Inducement Resolution – February 28, 2006, 2. Adoption of Ordinance to Issue Industrial Revenue Bonds – June 13, 2006. Greg Stricklin, Accounting Director 6/06/06